



Case No. IPC-E-18-03

Order No.: 34141

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Commission approves Idaho Power efficiency expenses, no change to customer rates

BOISE (Sept. 20, 2018) – The Idaho Public Utilities Commission has determined that approximately \$44 million spent by Idaho Power Company on efficiency programs in 2017 was prudently incurred.

The goal of the Commission's annual review of the utility's "demand-side management" (DSM) programs is to ensure that the programs are cost effective, meaning that customers would be paying more for energy if the programs did not exist.

The [Commission's decision](#) does not impact rates.

Idaho Power's DSM-related expenses are recovered through the Energy Efficiency Rider, a 3.75-percent surcharge applied to customer energy usage, as well as base rates and the annual Power Cost Adjustment mechanism.

The Commission allows a utility to recover costs associated with its DSM programs through customer rates if it finds the expenses were prudently incurred.

If the Commission determines the expenses were not prudently incurred, the expenses are borne by shareholders rather than customers.

Idaho Power's 2017 DSM costs include \$37,162,002 in Energy Efficiency Rider expenses and \$6,983,314 in demand response program incentives.

Demand response programs allow a utility to shift customer away from periods of peak consumption.

Idaho Power's 2017 DSM expenses covered 16 energy efficiency programs, three demand response programs, several educational initiatives and market transformation activities through the Northwest Energy Efficiency Alliance (NEEA).

The DSM offerings are subjected to a number of tests to determine prudence. One of the tests, the Total Resource Cost Test, gages whether all customers benefit from the program, not just those who directly participate.

Idaho Power said its energy efficiency programs saved 191,471 megawatt hours (MWh) in 2017.

That is enough energy to power almost 17,000 average homes for a year, and a 12-percent increase over 2016.

The 2017 savings included 85,425 MWh from the commercial/industrial sector, 65,506 MWh from the residential sector, 16,888 MWh from the irrigation sector and an estimated 23,652 MWh through NEEA initiatives.

Idaho Power's demand response programs achieved a total demand reduction of 383 megawatts.

In its order, the Commission directed Idaho Power to rigorously examine the potential for expanding its demand response programs, to reconsider its decision to discontinue the Home Improvement Program in 2017 and to explore options for evaluating and expanding its energy efficiency offerings.

All documents related to this case, including the company's application, can be found [here](#) or at the Commission's web site. Click on "Open Cases" under the "Electric" heading and scroll down to case number IPC-E-18-03.